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Veterans Administration

Legislative Status Report 99th Congress

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Veterans
Administration

Legislative Status Report
98th Congress

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The Legislative Status Report is produced by the Office of the General Counsel, Legislative Reference and Research Section, Veterans Administration Central Office, 810 Vermont Avenue, N.W. Washington, D.C. 20420. Published monthly--budgetary considerations permitting--when Congress is in session, it includes reports on the legislative status of bills under consideration, laws recently enacted, and congressional hearings of interest to the VA. Please note that due to the budget restrictions imposed by the Deficit Reduction Act of 1984, issues are no longer cumulative and quantities are limited. Synopses of completed committee action, House or Senate action, and congressional hearings are printed only in the current issue and then repeated in the final edition for each Congress. The next cumulative issue will be the final edition for the 99th Congress, published in January 1987. We are no longer able to supply individual subscriptions or multiple copies to individual organizations. This issue covers all actions from September 1, 1985, through the Easter recess. Questions or comments may be directed to:

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HOUSE BILLS

H.R. 237 Fair Debt Collection Practices Act, Amendments

On December 2, 1985, the House passed H.R. 237, which would prohibit harassment, abuse, or unfair practices in third person debt collections by attorneys who are currently exempt from the Fair Debt Collection Act of 1977, (Pub. L. No. 95-109).

Pub. L. 95-109, The Fair Debt Collection Act specifically exempts "any attorney collecting a debt as an attorney on behalf of and in the name of a client" from its provisions. A basis for this exemption was the belief that bar associations would adequately discipline attorneys whose conduct fell below the standards of the Act. However, the House Committee on Banking, Finance and Urban Affairs found that not only has this not been the case, but that attorneys have advertised this exemption from the Act in soliciting debt collection business. The Committee believes that this works to the detriment of consumers and results in an unfair competitive advantage for attorneys engaged in debt collection over non-attorney debt collection firms. Accordingly, the bill would remove the attorney advantage from the Fair Debt Collection Act.

LEGISLATIVE HISTORY:

January 3, 1985	Introduced in the House by Rep. Annunzio (D-IL)
November 26	Reported out by the House Committee on Banking, Finance, and Urban Affairs, H. Rept. No. 99-405
December 2	Passed the House on voice vote

H.R. 441 Medical Care Recovery Amendments

On May 15, 1985, the House Committee on the Judiciary reported out H.R. 441, which would amend the Medical Care Recovery Act to facilitate the Federal Government's ability to recover the costs for hospital, medical, and dental treatment that it provides to an individual under certain circumstances.

The Federal Medical Care Recovery Act allows the Government to recover its costs for furnishing medical care to an individual if that person's injuries are the result of a third party's negligence. Because the Government's right to recovery is based on tort liability, reimbursement for its medical costs has been greatly hindered in jurisdictions which have replaced tort liability with a no fault system. H.R. 441 amends the Act to allow the Government to recover its costs in such States or jurisdictions. Under the bill, the Government would be considered to be a third-party beneficiary for purposes of reimbursement by insurance companies or other compensation plans, and expenses paid by the Government would be defined as having been incurred by the injured party. The bill would also allow money recovered for medical care to be deposited to the appropriation from which the treatment was charged. (Presently, recouped funds must be deposited into the General Treasury revenues.) This change is intended as incentive to encourage agencies to take actions for the recovery of medical costs.

The original Act specifically excludes recovery of expenses for medical and dental treatment provided by the VA to eligible veterans for service-connected disabilities in accordance with chapter 17 of 38 U.S.C. H.R. 441 would retain this provision.

LEGISLATIVE HISTORY:

January 3, 1985	H.R. 441 introduced in the House by Rep. Hall (D-TX)
May 13	Reported out by the House Committee on the Judiciary, H. Rept. No. 99-123

H.R. 1361 Adam Benjamin, Junior, Outpatient Clinic

On November 11, 1985, the House passed H.R. 1361, designating the VA outpatient clinic in Crown Point, Indiana, as the Adam Benjamin, Junior, Veterans Administration Outpatient Clinic.

Adam Benjamin, Jr., was born in Gary, Indiana, in 1935. After serving in the Marine Corps from 1952 to 1954, He attended West Point Academy. Following graduation from the military academy, he served in the Army's 101st AirLorne Division reaching the rank of 1st lieutenant and serving with distinction until 1961. After working for 15 years in the State of Indiana, first as a school teacher, and then moving into State politics, he was elected to the 95th Congress.

During his nearly 6 years of service to the people of Indiana in the House of Representatives, he worked tirelessly to secure the construction of an outpatient clinic in a much needed area in Northwest Indiana.

The VA has historically refrained from endorsing the naming of its facilities after individuals, and instead has deferred that decision to Congress.

LEGISLATIVE HISTORY:

February 28, 1985	Introduced in the House by Rep. Hillis (R-IN)
October 24	Reported out by the House Committee on Veterans Affairs, H. Rept. No. 99-329
November 19	Passed the House on voice vote

H.R. 2005 Superfund Improvement Act of 1985 (Social Security Minor and Technical Changes Act of 1985)

On May 14, 1985, the House passed H.R. 2005, which would make technical changes to clarify certain provisions of title II of the Social Security Act. The bill specifically corrects errors that resulted from enactment of the Disability Amendments of 1980 and the Social Security Amendments of 1983.

Although the bill concerns issues regarding Social Security, language addressing 38 U.S.C. is contained in the legislation. Specifically, the legislation states that individuals receiving Social Security disability insurance benefits and who are also receiving Federal or State workers' compensation benefits will be subject to a reduction or offset in their social security disability benefits. Commonly known as the disability offset provision, it is important to veterans because the receipt of Title 38 benefits is exempt from such an offset and does not trigger a reduction in Social Security disability benefits.

In September, the Senate incorporated the text of S. 51 into the bill, which was in conference as of the Easter recess. Social Security benefit provisions, similar to those in H.R. 2005, were enacted in the Consolidated Omnibus Budget Reconciliation Act of 1985, (Pub. L. No. 99-272). These provisions correct a technical error which computes the amount of withholdings from an individual's instead of a family's benefits.

LEGISLATIVE HISTORY:

March 21, 1985	H.R. 1641 introduced in the House by Rep. Jones (D-OK)
April 4	H.R. 2005, a clean bill introduced in the House by Rep. Jones (D-OK)
May 7	H.R. 2005 reported out by the House Committee on Ways and Means, H. Rept. No. 99-69
May 14	H.R. 2005 passed the the House with amendments on Roll Call Vote No. 113-- 413 yeas, 0 nays, and 21 not voting
September 24	S. 51 text inserted in lieu of the H.R. 2005 text
September 26	H.R. 2005 passed the Senate, as amended by Recorded Vote No. 196-- 86 yeas, 13 nays, and 1 not voting
December 10	H.R. 2817 incorporated into the bill, H.R. 2005
February 6, 1986	H.R. 2005 sent to Conference
	Conferees appointed
February 7	Senate disagreed with House amendment to Senate amendment
	Sent to Conference
February 25	Additional conferees appointed

H.R. 2205 Korean War Memorial Act

On November 6, 1985, the House passed H.R. 2205, which would establish a memorial to honor members of our Armed Forces who served in the Korean War.

During the House debate, it was concluded that the time is past to erect a memorial to those who sacrificed their lives for their country and for the ideals of freedom that they held dear. Over the 3 year period of the war, 54,000 Americans lost their lives. That is more than in the 10 years of the Vietnam Conflict. There are approximately 5 million Korean War veterans alive today. This bill would provide the needed monument to honor those men and women who served in Korea, particularly those who were killed in action, missing in action, or held as a prisoner of war by hostile forces.

The American Battle Monuments Commission would be authorized by the bill to design, select a site, and do the actual construction of the memorial. Funding for the memorial would come from private sources as no Federal money is to be used. The authority for the memorial and its construction is for 5 years.

LEGISLATIVE HISTORY:

April 24, 1985	Introduced in the House by Rep. Florio (D-NJ)
October 29	Reported out by the House Committee on House Administration, H. Rept. No. 99-341
November 6	Passed the House by Roll Call Vote No. 392 -- 406 yeas, and 0 nays

H.R. 2851 Victims of Terrorism Compensation Act

On March 6, 1986, the bill H.R. 2851 was incorporated into another measure, H.R. 4151, a bill which would provide enhanced diplomatic security and combat international terrorism. The measure H.R. 4151 deals with the overall view of terrorism and the effects it has on this country.

With the increase of terrorist acts in this country and abroad, the Department of State has reorganized its security management program to make it more effective in anticipating and deterring terrorist threats. The need to assist the victims of the attacks has also increased. Both civilian and military personnel have been the victims of terrorism and H.R. 4151 would take the necessary steps to insure the safety of Americans abroad as well as here on the home front.

Title XIII of H.R. 4151 includes the sections of H.R. 2851 that deal with the permanent authority for the payment of medical benefits and educational compensation to the families of the captives as well as the victims themselves. Specifically, the bill would specify that the programs are to be consistent with the programs in relation to educational and training programs administered by the VA.

LEGISLATIVE HISTORY:

June 25, 1985	H.R. 2851 introduced in the House by Rep. Schroeder (D-CO)
July 15	H.R. 2851 reported out by the House Committee on Post Office and Civil Service, H. Rept. No. 99-201, Pt. I
November 18	H.R. 2851 reported out by the House Committee on Foreign Affairs, H. Rept. No. 99-201, Pt. II
February 6, 1986	H.R. 4151 introduced in the House replacing the measure H.R. 3906

March 6	H.R. 2851 incorporated into the measure H.R. 4151
March 12	H.R. 4151 reported out by the House Committee on Foreign Affairs, H. Rept. No. 99-490
March 18	H.R. 4151 passed the House on Recorded Vote No. 39-- 389 yeas, 7 nays, and 39 not voting

Note: This bill incorporates provisions of H.R. 2851, H.R. 1956, H.R. 2019, and H.R. 3946. Each of these bills addresses the growing problem of terrorism against the property, employees, and the people of the United States.

H.R. 3174 To Allow Members of the Armed Forces to Sue the United States for Damages for Certain Injuries Caused by Improper Medical Care

On October 7, 1985, the House passed H.R. 3174 which would permit active-duty military personnel and full-time members of the National Guard to make claims against the U.S. for damages resulting from medical or dental malpractice or misdiagnosis under certain circumstances.

Currently, the Federal Torts Claims Act (FTCA) permits dependents of military personnel, military retirees, and other civilians who use Government medical facilities (including Federal prisoners) to sue the Government for medical malpractice that occurred at Government-operated medical facilities. However, the Feres doctrine (Feres v. United States) bars active-duty service-members from suing the Government under the FTCA for injuries resulting from actions that are "incident to service." Two companion cases, United States v. Griggs and Jefferson v. U.S., applied the Feres doctrine to medical malpractice cases involving active-duty servicemembers. Currently, such servicemen and women can only make claims against the Government by means of a private bill granting them the right to sue.

H.R. 3174 would amend the FTCA (28 U.S.C. chapter 171) to give servicemembers the same rights as other victims of medical malpractice at a military hospital or facility. Under the bill, such claims would be subject to the same restrictions as any other action brought under the FTCA. This would include a prohibition against punitive damages, no right to a jury trial, a limit of 25 percent for attorney's fees, and a 2 year statute of limitations. In addition, any action would be subject to the existing tort laws of the State where the injuries occurred.

Provisions of H.R. 3174 would be effective upon enactment and only would apply to injuries or deaths occurring after enactment. In addition, the malpractice must have occurred at a fixed medical facility (a building or a structure) which is run by the Government or the Department of Defense. The bill would apply to active duty members of the U.S. Army, Navy, Air Force, Marines, and Coast Guard and full-time members of the National Guard. Various other conditions and restrictions would apply to claims brought under this bill, including the following:

1. claims would not be allowed if they are the result of combat activites or malpractice which occurred in Armed Forces facilities outside of the U.S.;

2. active duty personnel would not be allowed to sue for any change of status or duty assignment resulting from a misdiagnosis or malpractice;

3. suits for psychiatric evaluation would be excluded, as would suits for mental or emotional disabilities, unless they are the a result of a physical injury; and

4. the amount of a claim would be reduced by the current value of benefits received by the servicemember, or his or her estate, survivors, or beneficiaries, for the same physical injury or death from which the claim arose.

LEGISLATIVE HISTORY:

August 1, 1985	Introduced in the House by Rep. Frank (D-MA)
September 26	Reported by House Committee on the Judiciary, H. Rept. 99-288
October 7	Passed House on Roll Call Vote No. 341 -- 317 yeas, 90 nays, and 27 not voting

S. 408, H.R. 2540 Small Business Administration Program Authorizations and Program Changes

On July 16, 1985, the Senate passed S. 408, which would provide authority for programs of the Small Business Administration (SBA) for FY '86, FY '87, and FY '88. The bill would provide for cutting $2.5 billion from SBA's budget over the next 3 years while still retaining SBA's basic field structure, advocacy, procurement assistance, and special programs designed to assist women, veterans, and minority businesses. (On October 2, 1985, SBA program authorizations were incorporated into the Consolidated Omnibus Budget Reconciliation Act of 1985, which was subsequently enacted on April 7, 1986 (Pub. L. No. 99-272).

The bill would eliminate the bulk of SBA's direct lending authority, with the exception of loans to veterans, the handicapped, and Minority Enterprise Small Business Investment Companies (MESBIC's). This program was designed to provide special assistance to minorities, the handicapped, and Vietnam veterans in obtaining business loans, as well as to communities to make environmental improvements. The majority of this nation's Vietnam veterans, and 40 percent of all veterans, are between the ages of 35 and 45 years old, which is the age group most likely to be involved in starting new businesses. In FY '84 approximately 100,000 veterans received management training and counseling services under the SBA and approximately 15,000 veterans participated in 30 special "Veterans Business Training and Networking Conferences" nationwide. The bill would authorize direct and immediate participation loans for disabled veterans and Vietnam-era veterans for a total of $25 million in FY '86, $26 million in FY '87, and $27 million in FY '88.

Also of interest is Amendment No. 527 of the bill, which would provide for the formation of Veterans Business Resource Councils (VBRC) by the SBA. VBRC's currently exist in 10 states where they establish networks of veterans with business experience to assist other veterans in starting or expanding their own small businesses. VBCR's are comprised of veterans who have successfully established their own small business, and representatives of veterans' organizations and other community groups. Members provide community outreach, and advise fellow veterans on how to obtain a small business loan and how to write and use a business plan. VBRC'S may apply to the SBA for $2,000 for starting costs; some of the VBRC's have sought SBA assistance, while others have not. Specifically, this amendment would provide for the evaluation of existing VBRC's, recommendations for improving the VBRC's, guidelines to be developed for the establishment of new VBRC's, and encouragement for new VBRC's to be developed in States currently without them.

LEGISLATIVE HISTORY:

February 6, 1985	S. 408 introduced in the Senate by Sen. Weicker (R-CT)
March 29	S. 408 reported out by the Senate Committee on Small Business, S. Rept. No. 99-20
May 16	H.R. 2540 introduced in the House by Rep. Mitchell (D-MD)
July 16	S. 408 passed the Senate on Roll Call Vote No. 155 -- 94 yeas, 3 nays, and 3 not voting
July 23	H.R. 2540 reported by the House Committee on Small Business, H. Rept. No. 99-222, Pt. 1
July 24	H.R. 2540 incorporated into H.R. 3500
October 2	S. 408 incorporated into S. 1730
November 14	Text of S. 1730 incorporated into H.R. 3128 and passed the Senate in lieu thereof

December 5	Text of H.R. 3500 incorporated into H.R. 3128 and passed the House in lieu thereof
April 1	H.R. 3128 presented to the President
April 7	Signed by the President, Pub. L. No. 99-272

S. 992 Congressional Reports Elimination Act of 1985

On March 14, 1986, the Senate passed S. 992, which would modify or eliminate certain reports to the Congress that are no longer serving their original purpose. These reports are sent by Federal agencies, as required by law, to various committees of Congress. The Office of Management and Budget periodically examines these reports to see if they meet their original intent. If the cost and the time involved in producing the reports is found to outweigh the benefits to the public, if the information is available to the Congress by other means, or if there is no apparent congressional use for the information, then the reports will be eliminated. The overall intent is to improve the Government's efficiency and effectiveness.

LEGISLATIVE HISTORY:

April 24, 1985	Introduced in the Senate by Sen. Cohen (R-ME)
December 9	Reported out by the Senate Committee on Governmental Affairs, S. Rept. No. 99-211
March 14, 1986	Passed Senate on voice vote

S. 1134 Program Fraud Civil Penalties Act of 1985

On December 10, 1985, the Senate Committee on Governmental Affairs reported out S. 1134, the Program Fraud Civil Penalties Act, which would provide Federal agencies with remedies for false and fraudulent claims made against the Government. Due to the high cost of litigation and other factors, only about 40 percent of the cases filed with the Department of Justice (DOJ) are ever prosecuted. The DOJ, the Department of Defense (DOD), and the General Accounting Office (GAO), all agree that a remedy to handle false and fraudulent cases of less than $100,000, is long overdue.

The purpose of S. 1134 is to deter false claims from arising, to penalize those who submit the false and fraudulent claims, and to recompense those agencies for losses resulting from claims that go unprosecuted. The bill would require a hearing to be held to determine the issue of liablity and the amount of the penalty and assessment to be imposed. Liability would be found if the individual "has reason to know" that the statement or claim is false. The examiner bases a decision on the perponderance of the evidence produced during the proceedings. Penalties would be assessed up to $10,000 for each false claim plus double the amount of that false claim.

This method has already been proven by the Department of Health and Human Services (HHS). Under the 1981 Civil Monetary Penalties Law, HHS has collected over $11 million resulting from 117 settled cases of fraud.

LEGISLATIVE HISTORY:

May 15, 1985	Introduced in the Senate by Sen. Cohen (R-ME)
December 10	Reported out by the Senate Committee on Governmental Affairs, S. Rept. No. 99-212

S. 1660 Confederate Memorial Association

On November 12, 1985, the Senate Committee on the Judiciary reported out S. 1660, which would grant a Federal charter to the Confederate Memorial Association (CMA).

Incorporated in the District of Columbia in 1907, CMA functions as an umbrella organization for all types of Confederate curatoria. It was organized to help preserve a rich part of American heritage stemming from the War Between the States. Some of the main objectives of the organization are to perpetuate the southern culture and history, encourage the preservation of historic sites and monuments, maintain the Confederate Memorial Hall as a historical library and museum, and to promote education on the history of the war for all Americans.

S. 1660 would recognize the corporate rights of the organization established under existing State charters and would reinforce compliance with State laws governing service of process. The bill would also require the CMA to report annually to the Congress on its activities of the previous year.

LEGISLATIVE HISTORY:

September 18, 1985	Introduced in the Senate by Sen. Denton (R-AL)
November 12	Reported out by the Senate Committee on the Judiciary, S. Rept. No. 99-178

S. 1887 Veterans' Compensation and Benefits Improvement's Act of 1985

On December 2, 1985, the Senate passed S. 1887, which would make improvements to various veterans' programs. This bill is composed of five titles: Disability Compensation and Dependency and Indemnity Compensation; VA Education Programs; Home Loan Guaranty Programs; National Cemetery Programs; and Miscellaneous Provisions.

COLA for Disability Compensation and DIC

This bill would amend 38 U.S.C. to authorize a 3.1 percent cost-of-living adjustment (COLA) for FY '86 for disabled veterans and dependency and indemnity compensation (DIC) for survivors. This would be the same rate of increase granted to Social Security recipients, and would be effective December 1, 1985. Clothing allowances would also be increased by this measure. (A 3.1 percent COLA increase for compensation was enacted in the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Pub. L. No. 99-238.)

Educational Benefits

S. 1887 would make several changes in the various VA education programs, including allowing certain veterans to receive benefits under the new GI Bill while participating in correspondence courses, apprenticeship programs, or on-the-job training. In addition, veterans training under the new GI Bill or the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) would be allowed to participate in the VA work study program. The bill would add the responsibility for monitoring the new GI Bill programs to the responsibilities of the VA's Advisory Committee on Education.

The basic 10-year eligibility period for VEAP would be extended by this measure for certain individuals. Specifically, S. 1887 would extend the eligibility period for individuals who, due to certain physical or mental disablities, were unable to participate in the program, provided that such disabilities were not caused by willful misconduct. The eligiblity period would be extended for an amount of time equal to the period that the veteran's incapacitation prevented him or her from participating in an education program under VEAP. This provision would grant such individuals the same rights allowed to beneficiaries of programs under Chapters 30, 34, and 35 of Title 38. Furthermore, the bill would require the VA to provide counseling to formerly incompetent veterans before providing them with educational or training benefits.

Other provisions of S. 1887 would prohibit the implementation of any requirement for the submission of term-by-term enrollment certification for educational assistance benefits and prohibit participation in two different educational programs by using entitlement from two different benefits programs. The bill would provide for certain non-college degree courses in a vocational education program to be treated the same as credited courses leading to a college degree given at the same school. In addition, the bill would authorize payment of Educational Assistance allowances for less-than-half-time training to be made as quickly as possible, but no later than 1 month after the month in which the verification certificate is received from the school.

With regards to educational programs for survivors and eligible spouses of veterans, the bill would allow eligible persons to elect an earlier starting date for eligibility for receiving educational benefits (for the starting date of the 10-year delimiting period for using Chapter 35 benefits). It would also eliminate the requirement that a parent or guardian complete an education plan for a child eligible for educational benefits under Chapter 35, the Survivors and Dependents Educational Assistance program.

The bill calls for the establishment of a Commission on Veterans' Education Policy. The Commission would be responsible for indentifying problem areas in VA educational programs that need to be explored, and would focus on various educational methods including correspondence courses, nontraditional educational programs, and certificate versus degree courses.

Delimiting Period for the New GI Bill

S. 1887 would amend the new GI Bill to allow servicemembers who were on active duty on the date of enactment of the new GI Bill to be eligible for combined benefits under that bill even though they had left the service for a period of time prior to that enactment date. This provision is intended to correct an inequity that prohibited such eligibility and would reduce the 10-year delimiting period under Chapter 30 for such individuals by the amount of time the individual was not on active duty during the period from December 31, 1976, to October 19, 1984, since, during that break in service, the individual would have been able to use VA educational assistance benefits.

Emergency Veterans' Job Training Act (EVJTA) of 1983

The bill would rename the EVJTA as the Veterans' Job Training Act of 1985. It would also extend the program for 1 year, and authorize an appropriation of $55 million to remain available through FY '88. Qualified Korean conflict and Vietnam-era veterans who did not get certification before the recruitment period closed on February 28, 1985, would be allowed until January 31, 1987, to apply for participation in the program. The period for veterans to enter into training under the program would be extended from July 1, 1986, to July 31, 1987. In addition, the bill would authorize the Assistant Secretary of Labor for Veterans' Employment and Training to examine the feasibility of including parts of the EVJTA under title IV-C of the Job Training Partnership Act.

To combat the high drop-out rate of veterans training under the EVJTA, the bill would provide for two new support activities to help veterans successfully complete their training. First, the Department of Labor (DOL) would be required to provide counseling services to help veterans resolve difficulties arising during training. The VA and DOL would be required to advise all veterans and employers participating in the EVJTA of these services. Second, a case manager would be assigned to each veteran training under the EVJTA to maintain periodic contact with the veteran. Case managers would be assigned to a veteran based on that veteran's needs. Some veterans would be assigned case managers to have periodic telephone contact with the veteran and the employer to head off problems. Other veterans who need extensive job-readiness assistance would be assigned case managers who are also disabled veteran outreach specialists.

(Similar provisions regarding the EVJTA were enacted in the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Pub. L. No. 99-238.)

VA Loan Guarantee Program

The bill would provide permanent authority to transfer funds from the direct loan revolving fund (DLRF) to the loan guaranty revolving fund (LGRF), and would increase the maximium VA home-loan guaranty from $27,500 to $35,000. In addition, it would make several changes in the VA's housing program to combat the current high rate of foreclosures.

Specifically, S. 1887 would require the VA to establish credit underwriting standards for use in determining a veteran's ability to repay the loan for which he or she is applying. The standards would be based on debt-to-income ratios and would reflect standards used by commercial lending institutions. The new standard would serve as a method for VA loan guaranty staff and lending institutions to determine if a veteran-applicant would be a satisfactory credit risk. If a veteran doesn't meet the appropriate debt to income ratio, the Administrator would be authorized to waive these standards to guaranty the loan, if the veteran can show that he or she is a satisfactory credit risk.

The bill also calls for major reforms in the VA appraisal process. It would require the Administrator to establish uniform qualifications and standardized testing for all property appraisers who participate in the Loan Guaranty Program. The bill would allow lenders who believe that the appraisal of the property is not accurate, to obtain a second appraisal. Both appraisals would be considered by the VA before a certificate of reasonable value for the property would be issued.

The bill would also include provisions relating to default and foreclosure procedures. The intent is to reduce VA losses from default and foreclosure by providing for more prompt action. Specifically, the bill would require the loan holder of a VA guaranteed loan, to notify the VA when a veteran is 2 full monthly payments in default, and would require the loan holder to begin foreclosure proceedings after the veteran has missed 4 monthly payments. The VA would be authorized by this measure to use fee attorneys to foreclose portfolio loans without receiving the Attorney General's permission. In addition, the VA would be required to inform real estate sales professionals of available VA held properties so that these properties can be disposed of more quickly. Provisions of this measure would also require the Administrator to establish a task force on property management and to include in his annual report to Congress, information on common factors which contribute to foreclosures on VA guaranteed loans.

A pilot program for contracting out to commercial organizations for the management and disposal of VA acquired properties would be established by this bill. The program would be conducted from April 2, 1986, through September 30, 1987, and the Administrator would be required to submit a report to the House and Senate Committees on Veterans Affairs, by February 1, 1988, on the results of the pilot program.

Concerning competition in contracting, S. 1887 would cross-reference 38 U.S.C. § 1820(b) to Title 41, Section 5, regarding government contracts for services and supplies (in general). This provision would make the threshold for contracts that require advertising under the VA loan guarantee program, consistent with the threshold contained in Title 41. The current VA threshold is $1,000 for the VA's home loan guarantee program, whereas under Title 41, the threshold is $25,000. By cross-referencing these thresholds the bill would eliminate the need to make future changes to maintain a consistency between the two thresholds.

Specially Adapted Housing

With regard to specially adapted housing, the bill would authorize the VA to provide certain service-connected disabled veterans up to $6,000 in financial assistance for the purchase a home that has had special adaptations made to it. Currently, certain service-connected disabled veterans are allowed up to this same amount to make needed adaptations in their homes; S. 1887 would allow the same assistance to veterans to purchase homes which have already been adapted.

National Cemeteries

The bill would require space to be designated for upright markers in every National Cemetery, except for those established before January 1, 1986, which have never provided for upright markers. In addition, space in Arlington National Cemetery, Virginia, if available, would be set aside to honor servicemembers and veterans who are missing-in-action, or whose remains have not been identified, have been burried at sea, have been donated to science, or have been cremated and scattered. The bill would also require two reports to the House and Senate Veterans Affairs Committees on the National Cemetery system. The reports would include plans for the system through the year 2020, and a prioritized list of 10 geographic areas in need of additional burial space.

Reports on Collocation and Reorganizations

The bill would define the type of information that a detailed plan and justification must contain for a proposed reorganization, as required by 38 U.S.C. § 210(b)(2). The bill would also require the VA to provide this information before proceeding with its February 1, 1987, plan to consolidate certain veterans' benefit activities from

59 VARO's into three processing centers. These provisions would be apply to reorganizations that are proposed to be carried out beginning in FY '87, however, they would apply to the consolidation planned for February 1, 1987. S. 1887 would also require the VA to submit to the House and Senate Committees on Veterans Affairs, by June 1, 1986, a plan containing the costs and a timetable for collocating seven VARO's on VA medical centers' grounds.

Definition of Vietnam Era

The bill would expand the definition of Vietnam-era for the purpose of veterans benefits and services under Title 38, to include the period from February 21, 1961, through August 4, 1964, for certain veterans who served in Vietnam during that time. This provision would allow servicemembers who were in combat in Vietnam before August 5, 1964, the starting date of the Vietnam era under current law, equal benefits and services as those available to other Vietnam-era veterans.

Payments for Therapeutic and Rehabilitation Therapy

Under S. 1887, VA pensions paid on or after January 1, 1986, to veterans for participation in certain VA work-therapy programs, would not be counted as income for VA pension program purposes. Specifically, this provision would apply to money received by veterans receiving incentive therapy and compensated work therapy and would be effective for pension payments made on or after January 1, 1986.

Epidemiological Study of the Health of Women Vietnam Veterans

The bill would required the VA to contract for conducting an epidemiological study of gender-specific health effects of women Vietnam veterans to determine how their general health compares with the health of other women veterans who did not serve in Vietnam. The study was originally intended to discover the gender-specific health effect of Agent Orange exposure on women veterans, however, there was concern that there were not enough women who may have been exposed to this herbicide to make a scientifically valid study. (This provision was enacted in the Consolidated Omnibus Budget Reconciliation Act of 1985, Pub. L. No. 99-272.)

Renaming of the Phoenix, Arizona VAMC

The bill would name the VAMC at Phoenix, Arizona, for a former Senator and advocate for veterans' issues, Carl T. Hayden.

Native Americans and Alaskan Veterans

Title V of the bill would require the Administrator to establish an advisory committee to evaluate how well VA programs are meeting the needs of Native American veterans, including Alaskan natives. (A similar provision was enacted in the Consolidated Omnibus Budget Reconciliation Act of 1985, Pub. L. No. 99-272.)

Other Provisions

The bill would increase from $1,500 to $6,000, the maximum allowable value of the estate for a hospitalized incompetent veteran with no children to continue to receive VA compensation or pension benefits. It would also increase, from $500 to $2,000, the amount to which an estate must be reduced before payment of benefits may be resumed.

Finally, S. 1887 expresses the sense of the Congress that VA compensation should remain exempt from Federal income tax, as taxing these benefits would unfairly affect the service-connected disabled veterans.

LEGISLATIVE HISTORY:

November 26, 1985	Reported out by the Senate Committee on Veterans Affairs, S. Rept. No. 99-200
December 2	Introduced in the Senate by Sen. Murkowski (R-AK)
	Passed the Senate on voice vote

Note: This bill contains provisions from the following measures: S. 9, S. 622, S. 769, S. 962, S. 1207, S. 1397, S. 1508, S. 1602, and S. 1788.

RESOLUTIONS

H.J. Res. 142 Black Revolutionary War Patriots Memorial

On November 6, 1985, the House passed H.J. Res. 142, which would establish a memorial to honor Black Revolutionary War Patriots.

An estimated 5,000 blacks, both slaves and free men, served as sailors and soldiers and provided civilian assistance during the American Revolution. The memorial would also be dedicated to blacks who escaped from the bonds of slavery and to those who filed petitions to gain their freedom. According to Mrs. Oakar (D-OH), the black man has been left out of the history books as heros from the time of the Revolutionary War to the most recent conflict, Vietnam. It is time for a fitting tribute to be given to those whose dedication and courageous actions helped shape this country.

The resolution would provide the authorization for the Black Revolutionary War Patriots Foundation to design a memorial, select a site, and do the actual construction of the memorial. Funding for the memorial would come from private sources and no Federal money is to be used. This measure would provide a 5 year authority for the memorial and its construction.

LEGISLATIVE HISTORY:

February 7, 1985	Introduced in the House by Rep. Johnson (R-CT)
October 29	Reported out by the House Committee on Administration, H. Rept. No. 99-340
November 6	Passed the House by Recorded Vote No. 393 -- 408 yeas and 0 nays

S.J. Res. 43 American Armored Force Monument

On September 20, 1985, the Senate passed S.J. Res. 43 which would authorize the erection of a memorial in Arlington, Virginia, to honor the "American Armored Force," including veterans who served in armored units in World Wars I and II, Korea, Vietnam, and those presently in armored units. The memorial would be sponsored, designed, and funded by a number of armored forces organizations in an Armored Force Monument Committee.

LEGISLATIVE HISTORY:

February 12, 1985	Introduced by Sen. Thurmond (R-SC)
August 1	Reported by the Senate Committee on Energy & Natural Resources, S. Rept. No. 99-127
September 20	Passed the Senate on voice vote

S.J. Res. 220 National P.O.W./M.I.A. Recognition Day

On December 6, 1985, the Senate passed S.J. Res. 220, which would designate September 19, 1986, as "National P.O.W./M.I.A. Recognition Day," to serve as a tribute to those servicemembers who were held captive or are missing-in-action in Southeast Asia.

This measure is intended to honor all veterans who served their nation under the most adverse of conditions. It represents the Government's continued commitment to obtain a full accounting for the over 2,400 Americans who are still missing and unaccounted for in Indochina.

Within the VA, there is an Advisory Committee on Former Prisoners-of-War which recommends legislative and administrative actions to the Administrator to ensure that former POW's receive benefits for disabilities which may be attributed to their captivity.

The setting aside of a day in special recognition of POW's and MIA's, would honor these brave veterans who aided their country so gallantly and their families as well. The bill requests the President to issue a proclamation calling upon all citizens to observe September 19, 1986, with appropriate programs, ceremonies, and activities, as a symbol of the nation's gratitude to these brave Americans.

LEGISLATIVE HISTORY:

October 21, 1985	Introduced in the Senate by Sen. Mattingly (R-GA)
December 5	Reported out by the Senate Committee on the Judiciary (no written report)
December 6	Passed the Senate on voice vote

VETOED BILLS

H.R. 3036 Treasury, Postal Service and General Government Appropriation Act, FY '86

On November 15, 1985, the President vetoed H.R. 3036, which would have provided appropriations for the Treasury Department, the Postal Service, and certain other independent agencies.

The bill, as reported out by the Conference Committee, would have provided $900 million more in appropriations than were contained in the President's budget request. In his veto message, the President specifically cited, as his some of his reasons for vetoing the bill, funding for the postal subsidy, which his budget would have substantially reduced, and a provision that would have prevented OMB from implementing before May 15, 1986, certain performance based regulations for civil service employees.

Appropriations for the agencies and programs contained in this measure were later enacted in the Further Continuing Appropriations Act, Pub. L. No. 99-190.

This bill contained several provisions of interest to the VA. Specifically, H.R. 3036 contained language that would have prohibited OPM from reviewing VA witnesses' testimony before the Committee on Veterans Affairs and its Subcommittees before the release of the printed hearings. In addition, this measure would have appropriated funds for certain necessary OPM expenses including funding for veterans' medical expenses by private physicians on a fee basis and funding for travel in direct connection with the care and treatment of VA medical beneficiaries. The bill also would have appropriated funds for the revenue forgone postal subsidy, which allows for a special lower postal rate to certain nonprofit organizations including veterans groups. (See also the article on Pub. L. No. 99-190.)

LEGISLATIVE HISTORY:

July 18, 1985	Introduced in the House by Rep. Roybal (D-CA)
	Reported out by the House Committee on Appropriations, H. Rept. No. 99-210
July 30	Passed the House by Roll Call Vote No. 270 -- 249 yeas, 172 nays, and 12 not voting
September 9	Reported out by the Senate Committee on Appropriations, S. Rept. No. 99-133
September 26	Passed the Senate with amendments on Roll Call Vote No. 198 -- 88 yeas, 6 nays, and 6 not voting
October 8	House disagreed to the Senate amendments; House appointed conferees
October 31	Reported out by the Committee of Conference, H. Rept. No. 99-349
November 7	Senate agreed to conference report on voice vote
	House agreed to conference report on Roll Call Vote No. 398 -- 237 yeas, 171 nays, and 26 not voting.
November 13	Presented to the President
November 15	Vetoed by the President
November 18	Veto Message, H. Doc. No. 99-130

Pub. L. No. 99-103 (H.J. Res. 388) First Continuing Appropriations for FY '86

On September 30, 1985, President Reagan into law signed H.J. Res 388, which provides interim appropriations for certain Federal agencies from October 1, 1985, through November 14, 1985, or until the regular appropriations bills are enacted, which ever comes first. This resolution enables Government agencies to continue operation until Congress completes action on the 13 regular appropriation bills for FY '86, and includes appropriations for several agencies including the VA.

A continuing resolution is necessary to keep the Government in operation whenever the end of a fiscal year arrives without a new appropriations bill becoming law to provide funds for the succeeding fiscal year. In previous Administrations, the Government continued to operate without such authorization when similar circumstances arose. However, a 1980 opinion by the Attorney General (43 Op. Att'y Gen. 24) held that, during periods of "lapsed appropriations," any obligation or expenditure of funds, except to bring about an orderly termination of an agency's functions, would violate the Anti-Deficiency Act.

H.J. Res. 388 provides the lowest reasonable level of interim funding necessary to continue the operation of Government programs until final decisions about the bills are made. Under this Act, agencies and programs with appropriation bills that have passed the House but not the Senate, as of October 1, 1985 (including the Department of Housing and Urban Development--Independent Agencies), will be funded at the current FY '85 level or at the House-passed bill level, whichever is less, and the more restrictive authority applies. Agencies and programs with appropriation bills that have passed both the House and the Senate by October 1, 1985, will be funded at the lower amount of the two versions of the bill and the funding will be provided under the more restrictive authority. No new provisions in the House or Senate passed bills can take effect unless they are identical in both bills. All other programs and activities will operate at a level no greater than current appropriation rates.

LEGISLATIVE HISTORY:

September 17, 1985	Introduced in the House by Rep. Whitten (D-MS)
	Reported out by House Committee on Appropriations, H. Rept. No. 99-272
September 18	Passed the House by Roll Call Vote No. 308 -- 272 yeas, 156 nays, and 6 not voting
September 25	Reported out by the Senate Committee on Appropriations, S. Rept. No. 99-142
	Passed the Senate on voice vote
September 30	Signed by the President, Pub. L. No. 99-103

Pub. L. No. 99-108 (S. 1671) Interim Extension of Certain VA Authorities

On September 30, 1985, the President signed into law S. 1671, which provides an interim extension of the VA's authority to operate the VARO in Manila, Philippines, to contract certain health care services, and to allow veterans to begin training under the Emergency Veterans' Job Training Act (EVJTA). This Act serves as a stopgap measure allowing for the temporary continuation of these programs, so that they do not expire before the House and Senate complete action on measures providing a more permanent authority (H.R. 505, S. 876, H.R. 1408, and H.R. 2343).

The Act provides a 30-day extension, until October 31, 1985, for certain VA authorities which were due to expire on September 30, 1985. These include the authority to operate a VARO in the Republic of the Philippines, the authority to continue to contract health care services in Puerto Rico and the Virgin Islands, and authority for contracting halfway house treatment for veterans with alcohol and drug abuse disabilities.

In addition, the deadline for veterans who are already eligible for training under the EVJTA, to enter into training under that program is extended to July 1, 1986. (The previous deadline was September 1, 1985.) This measure, however, does not open the EVJTA program to new veterans.

LEGISLATIVE HISTORY:

September 19, 1985	Introduced in the Senate by Sen. Murkowski (R-AK)
September 20	Passed the Senate on voice vote
September 26	Passed the House on voice vote
September 30	Presented to the President
	Signed by the President Pub. L. No. 99-108

Pub. L. No. 99-119 (H.R. 1042, S. 84) Pearl Harbor Survivors Association

On October 7, 1985, President Reagan signed into law H.R. 1042, granting a Federal charter to the organization known as the Pearl Harbor Survivors Association.

The Pearl Harbor Survivors Association was founded in 1958 and was incorporated in the State of Missouri in 1964. The Association is dedicated to maintaining the gravesites of those who died in the Japanese attack on Pearl Harbor, as well as to preserving historic relics and erecting monuments in symbolic recognition of that fateful day. Membership is open to anyone who was in the U.S. Armed Forces and stationed on Pearl Harbor, Oahu Island, or within 3 miles offshore at the time of the attack on December 7, 1941. Presently there are approximately 127 active chapters with a total membership of about 9,700 individuals.

The granting of a Federal charter serves to honor the survivors of the attack and those who sacrificed their lives defending our nation. The Act recognizes the corporate rights of the organization established under the existing State charter, and reinforces compliance with State laws governing service of process. The organization is subject to an audit every year, as required by 36 U.S.C. § 1101, and must report annually to the Congress on its activities of the preceding year.

LEGISLATIVE HISTORY:

January 3, 1985	S. 84 introduced in the Senate by Sen. Inouye (D-HI)
February 7	H.R. 1042 introduced in the House by Rep. Dwyer (D-NJ)
May 8	H.R. 1042 reported by the House Committee on the Judiciary, H. Rept. No. 99-71
May 13	H.R. 1042 passed the House with amendments on voice vote

July 15	H.R. 1042 reported out by the Senate Committee on the Judiciary, S. Rept. No. 99-103
July 18	H.R. 1042 passed the Senate with amendments on voice vote
September 25	Presented to the President
October 7	Signed by the President, Pub. L. No. 99-119

Pub. L. No. 99-154 (H.J. Res. 441) Second Further Continuing Appropriations for FY '86

On November 14, 1985, President Reagan signed into law H.J. Res. 441, appropriating funds for certai Federal agencies through December 12, 1985, or until their regular appropriations bills are enacted. This Act is short-term initiative to provide funds to operate the Government from November 14, 1985, through December 12 1985. The Act extends the provisions of Pub. L. No. 99-103

At the time this bill was enacted, H.R. 3038, the Department of Housing and Urban Development--Independen Agencies Appropriations Act, 1986, which contains VA appropriations, was in conference, and as such, had no become law.

LEGISLATIVE HISTORY:

October 5, 1985	Introduced in the House by Rep. Whitten (D-MS)
October 12	Passed the House on Roll Call Vote No. 401 -- 259 yeas, 151 nays, and 24 not voting
October 13	Passed the Senate on voice vote
	Presented to the President
October 14	Signed by the President, Pub. L. No. 99-154

Pub. L. No. 99-158 (S. 1309, H.R. 2409) Health Research Act of 1985

On November 20, 1985, the President signed into law S. 1309, the Health Research Act of 1985, after vetoing the bill earlier on November 8, 1986. This legislation reauthorizes the National Cancer Institute and the National Heart, Lung and Blood Institute, and also provides for a National Institute of Arthritis, Musculoskeletal and Skin Diseases, to be established to focus on research into the most common of debilitating disorders. The recodification of law regarding the National Institute of Health (NIH) and the creation of a Congressional Office of Biomedical Ethics are also in the bill. Several research-related issues are addressed in the bill, in which standards are set for research on human fetuses and the care for laboratory animals.

The Act lays out the appointment and duties of the Director of NIH and establishes in statute the National Library of Medicine. Furthermore, time-limited studies are established to address concerns of the nation in dealing with the health needs of the elderly, learning disabled, and lupus erythematosus. These commissions will terminate after they complete their reports. The effective date of the Act is October 1, 1985.

Similar legislation was passed in both Chambers in 1984, but was vetoed by the President. The Act represents recommended changes by the Administration by limiting administration and streamlining the management of the NIH. Authorization levels are consistent with the outcome of negotiations with OMB and the last year's policy.

National Institute of Arthritis and Musculoskeletal and Skin Diseases

The focus on arthritis research has been a national effort for the prevention, diagnosis, treatment, and the eventual cure of this debilitating disease. Arthritis and other related musculoskeletal diseases not only effect the elderly, but adults in the prime of their life and an estimated 250,000 children. Some 49 million Americans or about 20 percent of the population are afflicted with one of 100 forms of arthritis.

LEGISLATIVE HISTORY:

May 7, 1985	H.R. 2409 introduced in the House by Rep. Waxman (D-CA)
June 4	H.R. 2409 reported out by the House Committee on Energy and Commerce, H. Rept. No. 99-158
June 17	H.R. 2409 passed the House on voice vote
	S. 1309 introduced in the Senate by Sen. Hatch (R-UT)
	S. 1309 reported out by the Senate Committee on Labor and Human Resources, S. Rept. No. 99-108
July 19	S. 1309 passed the Senate, as amended on voice vote, incorporated into H.R. 2409
	H.R. 2409 passed the Senate with the text of S. 1309, as amended, on voice vote
September 24	House Conferees appointed
September 26	Senate Conferees appointed
October 11	Reported out by the Committee of Conference, H. Rept. No. 99-309
October 23	House agreed to the conference report on Roll Call Vote No. 368--395 yeas, 10 nays
October 30	Presented to the President
November 8	Vetoed by the President

November 12	House received veto message and agreed to override by Roll Call Vote No. 400--380 yeas, 32 nays
	Senate received veto message
November 20	Senate agreed to override veto on Roll Call Vote No. 321--89 yeas, 7 nays
	Signed by the President, Pub. L. No. 99-158

Pub. L. No. 99-160 (H.R. 3038) HUD-Independent Agencies Appropriations Act, 1986

On November 25, 1985, President Reagan signed into law H.R. 3038, making appropriations for the Department of Housing and Urban Development (HUD), the VA, and 16 other independent agencies for FY '86. VA appropriations total $26.1 billion and are as follows:

VA Appropriations, FY '86

Compensation & Pension	$14,160,800,000
Readjustment Benefits	826,000,000
Veterans Insurance and Indemnities	9,730,000
Medical Care	9,255,694,000
Medical and Prosthetic Research	189,265,000
Medical Administration & Miscellaneous Operating Expenses	53,524,000
General Operating Expenses	736,864,000
Construction, Major Projects	507,360,000
Construction, Minor Projects	136,930,000
Grants for Construction of State Extended Care Facilities	21,758,000
Grants for Construction of State Veterans Cemeteries	2,967,000
Grants to the Republic of the Philippines	494,000
Loan Guaranty Revolving Fund	200,000,000
Total	26,101,426,000

Section 416 of the Act contains a Senate proposed provision which makes reductions to various appropriation accounts. The table above reflects these reductions. Additional reductions are noted elsewhere in this article.

Compensation and Pension

Compensation and pension will be funded up to $14.1 billion. This amount does not include funds for a proposed cost-of-living adjustment (COLA), and supplemental funding may be necessary if such a COLA increase is enacted. This Act makes a single appropriation for the Compensation and Pension account instead of following the Administration's repeated recommendation to divide the appropriation sum into three separate accounts for compensation, pension, and burial benefits.

Readjustment Benefits

The Act provides $826 million for readjustment benefits such as education, training, and rehabilitation for eligible veterans, and financial educational assistance for eligible dependents of certain veterans. The House had proposed $1 billion in appropriations for this account, however the Conference Committee adopted the Senate proposed figure.

Insurance and Indemnities

The veterans' insurance and indemnities appropriation consists of $9.7 million for military and naval insurance, National Services Life Insurance, and servicemen's indemnities. This appropriation covers the cost of "claims traceable to the extra hazards of service and death claims on policies under waivers of premiums while the insured is on active duty."

Medical Care

An amount of $9.2 billion, plus reimbursements, is appropriated for providing medical care and treatment for eligible veterans at VA, State, community, and private sector facilities. The House had proposed $9.3 billion in appropriations for this account, and the Senate had proposed $9.1 billion. Funds from this account are used to train medical residents and other medical personnel. The conference report indicates that funding in this account is intended to support 193,941 full-time equivalent employees (FTEE's), which is the 1985 level. This FTEE level does not include common services FTEE's. This Act also maintains the cost comparison studies' funding limitation (under 38 U.S.C. § 5010(a)(3)) at $2 million, its 1985 level.

The Conference Committee indicated that it agreed with the concept proposed by the Senate Committee on Appropriations which would call for a pilot program to help the VA purchase costly advanced medical equipment. Up to $10 million is intended to establish a separate activity for purchasing advanced medical equipment that costs more than $500,000. If after the first 2-year evaluation, the program proves to be beneficial to the VA, the program would be expanded to allow for the installation of the new equipment at VAMC's. The program would be financed through the Medical Care appropriation for the purchase of medical equipment for VA medical facilities.

Medical and Prosthetic Research

The medical and prosthetic research account is appropriated up to $189.2 million, plus reimbursements, to carry out its programs through September 30, 1987. This appropriation was reduced from $191.3 million by section 416 of the Act. The amount in this account is specifically intended to support up to 4,348 FTEE's, not including common services FTEE's.

With regards to the Agent Orange study that is being conducted by the Centers for Disease Control, the Conference Committee agreed that $1.5 million of the $3.8 million requested for the study is not required in 1986, and the VA may use this potential savings to offset the reduction in funding.

MAMOE

With respect to medical administration and miscellaneous operating expenses, $53.5 million, plus reimbursements, would be appropriated. This figure was reduced from $57.1 by section 416 of the Act. Funding from this account is intended to support up to 753 FTEE's, not including common services FTEE's.

General Operating Expenses

The appropriation for general operating expenses is $736.8 million. This amount was reduced from $760 million by section 416 of the Act. According to the conference report, the reduction in funding is to be applied at the VA's discretion to its activities except for the Board of Contract Appeals and the Board of Veterans Appeals.

The Act limits the number of FTEE's in the Office of Program and Planning Evaluation to a maximum of 53 FTEE's. The House had proposed a maximum of 40 FTEE's and the Senate had stricken that language. The Conference Committee agreed on a maximum of 53 FTEE's.

Major and Minor Construction Projects

The appropriation for major construction projects with an estimated cost of $2 million or more, is $307.3 million. This figure includes funding for the major construction projects that are listed in the House report (H. Rept. 99-212). These include the following projects:

1. replacement and modernization for Allen Park, Michigan; Houston, Texas; Mountain Home, Tennessee; and Philadelphia, Pennsylvania (however, the Philadelphia project is reduced by $8.8 million, which is the estimated cost of a parking garage);

2. nursing home care facilities in Amarillo, Texas, and Tucson Arizona;

3. domiciliaries in Temple, Texas, and Wood, Wisconsin;

4. advanced planning fund for various stations;

5. asbestos abatement for various stations;

6. clinical improvements for Big Spring, Texas, and Togus, Maine;

7. design funds for various stations;

8. electrical improvements for Hampton, Virginia; Long Beach, California; and Poplar Bluff, Missouri; and

9. fire and safety improvements for Chicago (West Side), Illinois; Cleveland (and Brecksville) Ohio; Cleveland (Wage Park), Ohio; Indianapolis, Indiana; Jackson, Mississippi; and Knoxville, Iowa.

With regard to the parking garage in Philadelphia, the Conference Committee indicated that, although funding for the garage was removed from the project, the garage may be built if it can be done within the total amount available for the project. The Conference Committee also instructed the VA to proceed with the design of a 60-bed nursing home care unit in Wilkes-Barre and a research and education facility in White River Junction in 1986, as funds for these projects will probably be contained in the FY '87 budget request.

The Act requires the VA to have had 1 year of substantial completion and beneficial occupancy before funds from any other account may be used for construction or alterations to the project. Also, H.R. 3038 repeals two provisions from previous HUD-Independent Agencies Appropriation Acts. Specifically, the last provision under the VA section of Pub. L. No. 98-45 and the next to last provision of the VA section of Pub. L. No. 98-371, are repealed. The Act also contains a provision requiring the director of the VA medical facility undergoing a construction project, to certify that the design of such project is acceptable for patient care.

For minor construction projects costing less than $2 million, $136.9 is appropriated for constructing, altering, extending, and improving VA facilities. This amount was reduced from $144.4 million by section 416 of the Act. The Office of Construction is funded up to $36.3 million. Funds in this account may be used for repairing loss or damage to nonmedical VA facilities caused by natural disaster or catastrophe, and for preventing or minimizing losses from such causes.

State Extended Care Facilities

With regard to grants for the construction of State extended care facilities, the Act appropriates $22 million to remain available through September 30, 1988. This account provides grants to help States to construct or acquire State home facilities for furnishing domiciliary or nursing home care for veterans, and to expand or renovate existing State homes for furnishing domiciliary, nursing home, or hospital care to veterans.

State Veterans Cemeteries

The appropriation for grants for the construction of State Veterans Cemeteries is $3 million, which will remain available through September 30, 1988, to assist States in creating, expanding, or improving State veterans' cemeteries.

VAMMC, Manila

The amount of $500,000 is appropriated for grants to the Republic of the Philippines for the renovation of the plant, equipment, and facilities at the Veterans Memorial Medical Center at Manila.

Specially Adapted Housing

The Act authorizes funds from available resourses to be used for direct loans for extending credit to severely disabled veterans for specially adapted housing and for current expenses. Presently, there are 15 direct loans in the amount of $408,000 expected to be closed in 1986. The VA had requested that the dollar limitation for

specially adapted housing be removed, however, the Act retains a $1 million limitation in gross obligations for direct loans. This figure was reduced to a $.989 million limitation by section 416 of the law.

Loan Guaranty

The loan guarantee revolving fund is appropriated $200 million. However, unobligated balances, including retained earnings of the direct loan revolving fund, shall be available during 1986, for transfer to the loan guaranty revolving fund for the timely payment of obligations of such fund, and the Administrator is not required to pay interest on the amount that is so transferred after the transfer is made.

Administrative Provisions

This law also contains the following administrative provisions:

1. up to 5 percent of each appropriation for compensation and pension readjustment benefits, and insurance and indemnities may be transferred to another account, of which, it may not exceed 10 percent of that appropriation;

2. appropriations for salaries and expenses in FY '86 are available for services in accordance with 5 U.S.C. § 3109;

3. appropriations for accounts other than major and minor construction, may not be used to purchase a site or to construct a new hospital or home;

4. no appropriations, except for those under major and minor construction projects may be used for the purchase of any site for or toward the construction of any new hospital or home;

5. appropriations may not be used for the hospitalization or examination of any individual who is not a veteran or an entitled beneficiary without reimbursement of costs; and

6. one or more pilot programs will be conducted to determine the effectiveness of using private contractual services for collecting debts or other money owed to the government.

General Provisions

Title IV of the Act allows employees' travel expenses to be expended from appropriations in the Act, up to the amount of the budget estimate. However, an important exception to this limitation permits funds above the estimate to be expended for travel in direct connection with the care and treatment of VA medical beneficiaries.

LEGISLATIVE HISTORY:

July 18, 1985	Introduced in the House by Rep. Boland (D-MA)
	Reported out by the House Committee on Appropriations, H. Rept. No. 99-212
July 25	Passed the House with amendments on Roll Call Vote No. 260 -- 340 yeas, 73 nays, and 20 not voting
August 28	Reported out by the Senate Committee on Appropriations, S. Rept. No. 99-129

October 18	Passed the Senate with amendments on Roll Call Vote No. 234 -- 76 yeas, 9 nays, and 15 not voting Senate appointed conferees
November 6	House disagreed to Senate amendments and appointed conferees
November 8	Reported out by the Committee of Conference, H. Rept. No. 99-363
November 13	House agreed to conference report on Roll Call Vote No. 404-- 268 yeas, 153 nays, and 13 not voting
	Senate agreed to conference report by voice vote
November 14	Presented to the President
November 25	Signed by the President, Pub. L. No. 99-160

Pub. L. No. 99-166 (H.R. 505) Veterans' Administration Health-Care Amendments of 1985

On December 3, 1985, the President signed into law H.R. 505, which amends title 38 U.S.C. to improve the health care administered to veterans by the VA. As the number of older veterans grows, so does the VA's responsibility to provide up to date health care and other services for them. Pub. L. No. 99-166 takes into consideration that increased responsibility.

Health Care Programs

Under this Act, general concerns for the increasing need for health care of older veterans have been expressed by the VA and other agencies. The law extends the VA's authority to offer alcohol and drug rehabilitation programs. The authority for the VARO in Puerto Rico has been extended to September 1988. This VARO provides medical services and hospital care for veterans residing in the Commonwealth of Puerto Rico who are under the Administrator's authority. A pilot program for the readjustment counseling of Vietnam veterans is established under this law. It will aid those participating in the program in employment counseling, training, placement, and assistance in applying for benefits and services provided by the VA. A number of facilities will be equipped to handle this new program and shall be known as Vietnam Veteran Resources Centers. There will also be a program established for former prisoners-of-war.

Health Care Administration

The second title is directed to all veterans and not just the older veterans and the medical programs concerning that group. Under this title, a new quality assurance program has been established to determine quality of care provided by the Department of Medicine and Surgery. The deadline for funds for the construction of State Homes has been extended. The section also allows for the hiring of student and graduate nurses who are not registered with the state.

Veterans' Administration Medical Facilities

The next title deals with the construction and operation of medical facilities and the equitable distribution throughout the United States. The study on the feasibility and the purchasing of a facility for hospital care and nursing home care shall be included in a report to the Congress. The Administrator will determine the practicality of aquiring a facility located in an urban area which meets both current and projected needs, and the specifications of the VA in furnishing health care to veterans in the area. This is, however, not to imply that the Administrator has to provide a plan for the feasibility for the purchase of a medical facility that would have an affect on the construction, aquiring of, or the leasing of a medical facility in the Florida panhandle, or the expanding of the Biloxi/Gulfport VAMC that furnishes health care to veterans in the area.

Miscellaneous Provisions

The last title increases the amount of Servicemen's Group Life Insurance from $35,000 to $50,000; adds restrictions to the Veterans Group Life Insurance policy holders; extends the authority to operate an office in the Philippines from October 31, 1985, to September 30, 1988; and requires a report to be submitted to the Committees of Veterans Affairs by the Administrator detailing the plans for grade reduction and justification for such a plan. The reductions affect only the personnel who meet a certain definition of professional employee, health care personnel who have direct patient care services or services incident to direct patient-care. The transferring of land in the Phoenix, Arizona, area from the control of GSA to the VA; leasing of the land in Milwaukee County, Wisconsin by the VA for public recreational or civic purposes; releasing the limitation for recreational uses of the land in McKinney, Texas; and the the conveyance of the land in Salt Lake City, Utah, is also covered in the last title of the law.

In summation, the law will allow for the health care needs of the growing population of older veterans to be handled in an efficient and effective manner.

LEGISLATIVE HISTORY:

January 7, 1985	Introduced in the House by Rep. Daschle (D-SD)
May 15	Reported out by the House Committee on Veterans Affairs, H. Rept No. 99-114
May 21	Passed the House on voice vote
July 30	Passed the Senate on voice vote
November 22	Presented to the President
December 3	Signed by the President, Pub. L. No. 99-166

Pub. L. No. 99-167 (S. 1042) Military Construction Authorization Act of 1986

On December 3, 1985, the President signed into law the Military Construction Authorization Act of 1986, authorizing certain construction at military installations for FY '86.

A total of $9.2 billion in budget authority was agreed to by the House and Senate conferees as the amount appropriated for FY '86. With this authorization, projects such as those deferred by the House and Senate for budgetary reasons, are to be given priority. Prior year savings that would result from a good bidding climate in the construction industry and from a strong dollar against NATO currencies, were used to reduce the authorization for appropriations.

Concerning the VA are the transfer of land from the Department of the Navy to the VA at the Naval Air Station in Pensacola, Florida, for a cemetery and the conveyance of 65.4 acres of land at Fort Harrison to the Montana National Guard for the establishment of a veterans' cemetery. Both of these amendments were a part of H.R. 1409, which was incorporated into S. 1042.

LEGISLATIVE HISTORY:

March 5, 1985	H.R. 1409 introduced in the House by Rep. Dellums (D-CA)
May 1	S. 1042, (a clean bill) introduced in the Senate by Sen. Goldwater (R-AZ)
May 16	S. 1160, introduced in the Senate by Sen. Goldwater (R-AZ) (a clean bill of S. 1029 and S. 1043)
June 5	Division B of S. 1160 incorporated into S. 1042
	Passed the Senate on voice vote
October 16	H.R. 1409 incorporated into S. 1042
	Passed the House House conferees appointed
November 1	Senate conferees appointed
November 12	Reported out by the Committee of Conference, H. Rept. No. 99-366
November 21	Presented to the President
December 3	Signed by the President, Pub. L. No. 99-167

Pub. L. No. 99-172 (H.R. 1806) Daughters of Union Veterans of the Civil War, 1861-1865

On December 9, 1985, the President signed into law H.R. 1806, granting a Federal charter to the Daughters of Union Veterans of the Civil War, 1861-1865. It is among the oldest and most patriotic societies in the country.

Founded in 1885, the organization promotes national history and perpetuates the memory of soldiers who gave their lives for the good of the Union. Membership is specifically open to women descendents of soldiers, sailors, and marines who were killed, honorably discharged, or missing-in-action during the years 1861-1865. Currently, over 20,000 members support the organization's activities and accomplishments.

The Daughters of Union Veterans is dedicated to the encouragement of educational achievement in the field of history with specific emphasis on Civil War history. Scholarships are set up at universities across the country including the nation's four service academies. The organization also maintains a museum and library for the preservation of Civil War memorabilia. Individual members of the organization serve as volunteers with the U.S. Veterans Administration Volunteer Service in VA hospitals, centers, and homes across the nation by providing comfort and various services to veterans.

The law recognizes the corporate rights of the organization established under State charter and reinforces compliance with State laws governing service of process. The organization is subject to an audit every year, as established under 36 U.S.C. § 1101, and is required to report annually to the Congress on its activities of the preceding year.

LEGISLATIVE HISTORY:

March 28, 1985	Introduced in the House by Rep. Kindness (R-OH)
May 8	Reported out by the House Committee on the Judiciary, H. Rept. No. 99-70
May 13	Passed the House with amendments on voice vote
November 12	Reported out by the Senate Committee on the Judiciary, S. Rept. No. 99-179
November 21	Passed the Senate on voice vote
December 3	Presented to the President
December 9	Signed by the President, Pub. L. No. 99-172

Pub. L. No. 99-177 (H. J. Res. 372) Balanced Budget and Emergency Deficit Control Act of 1985

On December 12, 1985, the President signed into law H.J. Res. 372, the Balanced Budget and Emergency Deficit Control Act of 1985, which calls for an increase in the public debt ceiling and for a balanced Federal budget by the Fiscal Year 1991.

The law, also known as the Gramm/Rudman/Hollings measure, is named for the three Senators who originally sponsored the bill. It requires that a budget goal be set for each fiscal year to take the deficit from its current level of more than $200 billion in 1985 to zero by 1991. In order for this goal to be met, the Office of Management and Budget (OMB), and the Congressional Budget Office (CBO), are to estimate the amount of the deficit for each upcoming fiscal year.

The proposed budget is then sent on to the Comptroller General for his review, and he in turn issues his own report and sends it on to the President and the Congress. This is followed by an Executive Order, issued by the President, which "sequesters" the necessary funds to meet the specified reductions. The order for FY '86 will be issued February 1, 1986, and will take effect on March 1, 1986.

The VA's basic veterans compensation and pension benefits are exempt from the cuts. The Department of Medicine and Surgery, which comprises 90 percent of the agency, will be cut by no more than 1 percent this year and no more than 2 percent for each fiscal year thereafter. Prior commitments to the Loan Guaranty Revolving Fund and certain VA insurance funds are also protected from reductions in the first year. New outlays however, are susceptible.

According to the VA, a hiring freeze has been ordered in departments other than DM&S. Delays in maintenance and purchasing equipment, and cutbacks in travel, training and printing costs are all in hopes of making up for the lost funding of FY '86. Furloughs and reductions-in-force are a last resort and not expected to be necessary in the near future.

A recent U.S. District Court decision ruled this Act unconstitutional. However, implementation of this Act has not been halted pending an appeal at the U.S. Supreme Court.

LEGISLATIVE HISTORY:

August 1, 1986	Introduced in the House by Rep. O'Neill (D-MA)
	Passed House on voice vote

September 26	Reported out by the Senate Committee on Finance, S. Rept. No. 99-144
October 10	Passed the Senate with amendments, by Recorded Vote No. 222--51 yeas, and 37 nays
November 1	Reported out by the Committee of Conference, H. Rept. No. 99-351
November 6	Passed Senate with amendments
	House disagreed with Senate amendments
December 10	Reported out by the Committee of Conference, H. Rept. No. 99-433
	Presented to the President
December 12	Signed by the President, Pub. L. No. 99-177

Pub. L. No. 99-179 (H.J. Res. 476) Third Further Continuing Appropriations for FY '86

On December 13, 1985, the President signed into law H.J. Res. 476, making further continuing appropriations for FY '86. H.J. Res. 476 extends to December 16, 1985, the provisions of Pub. L. No. 99-154, which expired on December 12, 1985. (Pub. L. No. 99-154 extended the provisions of Pub. L. No. 99-103.) VA appropriations are contained in Pub. L. No. 99-160, the Department of Housing and Urban Development--Independent Agencies Appropriations Act, 1986, which was signed into law on November 25, 1985, and therefore, are not included in this measure.

LEGISLATIVE HISTORY:

December 12, 1985	Introduced in the House by Rep. Whitten (D-MS)
	Passed the House by voice vote
	Passed the Senate by voice vote
	Presented to the President
December 13	Signed by the President, Pub. L. No. 99-179

Pub. L. No. 99-184 (H.J. Res. 491) Fourth Further Continuing Appropriations for FY '86

On December 17, 1985, the President signed into law H.J. Res. 491, appropriating funds for certain Federal agencies through December 19, 1985. This Act extends the provisions of Pub. L. No. 99-179, which expired on December 16, 1985. (Pub. L. No. 99-179 extended provisions of Pub. L. No. 99-103; previous extensions of these provisions were made by Pub. L. No. 99-154.) VA appropriations are contained in Pub. L. No. 99-160, the Department of Housing and Urban Development--Independent Agencies Appropriations Act, 1986, which was signed into law on November 25, 1985, and therefore, are not included in this measure.

LEGISLATIVE HISTORY:

December 16, 1985	Introduced in the House by Rep. Whitten (D-MS)
December 17	Passed the House on Roll Call Vote No. 464 -- 334 yeas, 74 nays, and 26 not voting
	Passed the Senate on voice vote
	Presented to the President
	Signed by the President, Pub. L. No. 99-184

Pub. L. 99-190 (H.J. Res. 465) Further Continuing Appropriations, FY '86

On December 19, 1985, the President signed into law H.J. Res. 465, appropriating funds for certain Federal agencies until the end of FY '86. Appropriations for the VA for FY '86 are contained in the Department of Housing and Urban Development--Independent Agencies Appropriations Act, 1986, Pub. L. No. 99-160.

The Act provides funding for several agencies and programs. With respect to the VA, the Act authorizes the transfer and merging of up to $8 million from the medical care account to the FY '86 general operating expenses account. These funds are intended to be used to support 193,941 full time equivalent employees (FTEE's), not including an estimated 589 common service FTEE's which are also to be funded from the medical care account. Funding for these FTEE's may be accomplished through reprogramming funds from other accounts, however, the VA agreed that any reprogrammed funds would not reduce the number of patients treated, either in-house or by contract.

Provisions of this law direct the Administrator to delegate to hospital directors the authority to administer certain major construction projects. Specifically, the authority to administer at least 15 of the new major construction projects for FY '85 and at least 10 of the new major construction projects for FY '86 is to be delegated to the hospital directors. The Act requires the Administrator to provide the House and Senate Committees on Appropriations a list of the proposed delegations within 15 days of enactment of this joint resolution.

The actual delegation of authority is to be consistent with the method used in delegating authority for the nursing home care construction projects at Ann Arbor, Tampa, and Fresno, under the HUD-Independent Agencies Appropriations Act, 1982, Pub. L. No. 97-101. The delegation would allow hospital directors the authority to select the architect/engineer to design and/or supervise the construction of the projects. In addition, hospital directors are authorized to further delegate authority as appropriate and have the authority to supervise the site selection, design, and construction of their respective projects and make monthly and final payments to contractors. The Office of Construction and DM&S are to provide advice to hospital directors regarding these projects upon the request of the hospital directors or their staffs.

The Senate passed version of H.J. Res. 465 originally contained language appropriating $55 million for a veterans job training program. This language is not included in the final version of this measure as enacted.

Department of Defense

Under the Department of Defense (DOD) provisions is a prohibition against using funds for contributing to the DOD Education Benefits funds (10 U.S.C. § 2006(g)), for the normal cost for future benefits under 38 U.S.C. § 1415(c) for servicemembers who received certain enlistment bonuses. In addition, the Administrator (of the VA) is prohibited from paying such benefits and the Treasury is prohibited from transferring money from the DOD fund to the Administrator for such a purpose.

The Act also contains language expressing the sense of Congress that the government should be more agressive in suspending or debarring contractors convicted of defrauding the Government and should apply appropriate supplemental penalties in such cases. This language is in response to the high incidence of fraud committed by defense contractors.

Treasury, Postal Service, and General Government Appropriations

Appropriations for the Treasury, Postal Service, and General Government are contained in this Act. Originally, the appropriations for these programs and agencies were contained in H.R. 3036, which was vetoed by the President on November 15, 1985. The Act provides appropriations for the same programs and activities contained in H.R. 3036, as reported by the Conference Committee on November 7, 1985 (H. Rept. 99-340), with some exceptions. Specifically, the postal subsidy for revenue forgone due to free and reduced rate mail was reduced to $748 million. (The bill would have appropriated $820 million.) This Act also reduced appropriations for the certain IRS accounts from the level proposed in H.R. 3036. In addition, a provision that would have prevented OMB from implementing certain performanced based regulations for civil service employees before May 15, 1986, is not included in the Act. These provisions were specifically cited by the President in his veto message as being objectionable.

Among the provisions of H.R. 3036 to be enacted in Pub. L. No. 99-190 is language addressing the Office of Management and Budget's (OMB) review of witnesses' testimony before the Committee on Veterans Affairs and its Subcommittees, and the Committee on Appropriations. The Act prohibits OMB from using any funds to review official VA testimony before the printed hearings are released. This language applies only to Veterans Affairs and Appropriations Committee transcripts, and was added to prevent a recurrence of the recent OMB practice of reviewing and changing transcript testimony. It is also believed that OMB's part in the transcript review process contributed to delays in the preparation of printed hearings. It should be noted that this language does not alter or prevent OMB from reviewing its own officials' testimony or from reviewing the final printed hearing record after public release. This provision was included in the House passed version of the bill, however, the Senate deleted this language, and the Conference Committee adopted it in their agreement.

The Act provides funding for necessary expenses to carry out various OPM functions including veterans' medical examinations performed by private physicians on a fee basis. It also allows employees' travel expenses to be expended from appropriations in this Act up to the amount of the budget estimate. However, an important exception to this limitation permits funds above the estimate to be expended for travel in direct connection with the care and treatment of VA medical beneficiaries.

A Senate passed amendment to H.R. 3036 would have authorized the payment of certain travel and transportation costs to extend relocation assistance, currently available to career civil servants, to Federal employees returning from overseas assignments and to Presidential appointees and new appointees to the Senior Executive Service. This provision was not included in the conference agreement and as such is not a part of this Act.

Allotment of Space, and Flexible and Compressed Work Schedules

Provisions of H.J. Res. 465 allow for the allotment of space in Federal buildings for providing child care for Federal employees. The Act also provides for the repeal of a test program for alternative work schedules for federal employees. Permanent authority for this program is provided under the Federal Employees Flexible and Compressed Work Schedules Act of 1982, Amendment, Pub. L. No. 99-196.

LEGISLATIVE HISTORY:

November 21, 1985	Introduced in the House by Rep. Whitten (D-MS)
	Reported out by House Committee on Appropriations, H. Rept. No. 99-403
December 4	Passed the House, as amended on Roll Call Vote No. 427 -- 212 yeas, 208 nays and 14 not voting
December 6	Reported out by the Senate Committee on Appropriations, S. Rept. No. 99-210

December 10	Passed the Senate with amendments on voice vote
	Senate insisted on their amendments
December 11	House disagreed to Senate amendments conferees appointed
December 16	Reported out by the Committee of Conference, H. Rept. No. 99-443
	House rejected the conference report on Roll Call Vote No. 461 -- 170 yeas, 239 nays, and 25 not voting
December 17	House insisted on its disagreement to the Senate amendments; House appoints second set of conferees
	Senate agreed to the conference report and insists on its amendments
	Senate appoints second set of conferees
December 19	Reported out by the Committee of Conference, H. Rept. 99-450
	Senate agreed to second conference report
	House agreed to second conference report on Roll Call Vote No. 476 -- 261 yeas, 137 nays, 1 present, and 35 not voting
	Signed by the President, Pub. L. No. 99-190

Pub. L. No. 99-196 (H.R. 1534) Federal Employees Flexible and Compressed Work Schedules

On December 23, 1985, the President signed into law H.R. 1534 which converts the temporary authority to allow Federal employees to work a flexible or compressed schedule into a permanent authority.

In 1978, the Congress granted authority in Pub. L. No. 95-390 for Federal agencies to use, for 3 years, alternatives to the traditional 8-hour workday. Since then, an experiment was conducted which varied the work schedules for more than 325,000 Federal employees. This experiment proved to be, in most cases, beneficial to both the public and employees. Generally, the employees had a greater degree of control over their work hours which increased morale, providing more time for them to devote to nonwork activities. As a result, allotted hours of service to the public increased, complemented by a reduction in employees' tardiness and absenteeism. In effect, net productivity was enhanced.

Overall, the use of alternative work schedules has the potential to improve productivity in the Federal Government and to provide greater service to the public. Pub. L. No. 97-221 extended the provisions of Pub. L. No. 95-390 through October 1, 1985.

LEGISLATIVE HISTORY:

March 19, 1985	Introduced by Rep. Ackerman (D-NY)
May 13	Reported out by the House Committee on Post Office and Civil Service, H. Rept. No. 99-82

May 20	Passed the House
July 11	Reported out by the Senate Committee on Governmental Affairs (No written report)
December 11	Passed the Senate on voice vote
December 13	Presented to the President
December 23	Signed by the President Pub. L. No. 99-196

Pub. L. No. 99-224 (H.R. 1890) Equitable Relief for Government Employees

On December 28, 1985, President Reagan signed into law H.R. 1890, which provides for an equitable waiver in the compromise and collection of Federal claims and extends the existing authority for wavier of travel, transportation expenses, and relocation allowance overpayments.

Public Law No. 99-224 will alleviate the unnecessary hardship to a Government employee that the unintended overpayments cause. Generally a waiver for an employee is allowed in instances where collection would be against good conscience and equity and not in the best interest of the U.S. The law will provide a more equitable and efficient procedure to remedy situations where the Government has erroneously made a payment to a Federal employee for travel, transportation, or relocation cost.

GAO has concluded that holding an employee to a standard of knowledge of complex travel and relocation regulations in certain instances is unreasonable. This legislation has been deemed both fair and practical to both the individual and the Government.

LEGISLATIVE HISTORY:

April 2, 1985	Introduced in the House by Rep. Hall (D-TX)
May 5	Reported out by the House Committee on the Judiciary, H. Rept. No. 99-102
July 15	Passed the House on voice vote
December 11	Passed the Senate on voice vote
December 20	Presented to the President
December 28	Signed by the President, Pub. L. No. 99-224

Pub. L. No. 99-238 (H.R. 1538) Veterans' Compensation Rate Increase and Job Training Amendments of 1985

On January 13, 1986, the President signed into law H.R. 1538, which provides a 3.1 percent cost-of-living adjustment (COLA) for certain VA compensation programs, and extends and makes other changes in the Emergency Veterans' Job Training Act of 1983 (EVJTA).

Rate Increases

The Act amends title 38 U.S.C. to provide a 3.1 percent COLA increase for the rates of disability compensation for service-connected disabled veterans and dependency and indemnity compensation (DIC) for survivors of deceased veterans, and the rates of compensation for certain blinded veterans. This increase is equal to the COLA increase that will be provided to Social Security recipients. It has a retroactive effective date of December 1, 1985, which is the same as the effective date for the COLA's for Social Security and VA pensions. The precedent for the COLA was established in the Veterans' Benefits Improvement Act of 1984, Pub. L. No. 98-543, and in the Deficit Reduction Act of 1984, Pub. L. No. 98-369. Currently, there are over 2.2 million veterans with service-connected disabilities, and 342,000 survivors of those who died from service-connected disabilities who would benefit from this measure. This law also increases the clothing allowance for certain disabled veterans.

In addition, the Act contains a Special Rule which allows the Administrator to administratively adjust disability compensation rates payable for certain other persons who are not receiving compensation payable pursuant to chapter 11 of 38 U.S.C.

The House had originally passed a 3.7 percent COLA, which it later amended to 3.4 percent to reflect the median between that 3.7 percent increase and the 3.1 percent increase passed by the Senate in S. 1887. However, the Senate insisted on its figure, which is based on the Consumer Price Index.

Emergency Veterans' Job Training Amendments

This law amends 29 U.S.C. § 1721, (Pub. L. No. 98-77), to rename the EVJTA as the Veterans' Job Training Act, and make other changes in the program. Specifically, the Act extends the program, liberalizes its requirements, and authorizes additional appropriations.

The EVJTA, for which the application deadline closed on February 28, 1985, provides cash incentives to employers to hire and train certain long-term unemployed Vietnam-era and Korean-conflict veterans. Veterans who have already been certified as eligible for the program have until July 1, 1986 to enter into training. (The previous deadline to enter into training under the EVJTA had been extended from September 1, 1985, by Pub. L. No. 99-166.)

The Act allows an additional year for veterans to apply for participation in the program and an additional 18 months for veterans to enter into job training under the EVJTA. In addition, the Act provides that, if new funding for the program is not made available to the VA by OMB by February 1, 1986, these periods would be extended for a period of time equal to the period between February 1, 1986, and the date funds are made available.

Veterans who have already been certified as eligible but who have not yet been placed into job training, are allowed to reenter the program under provisions of this Act. This will allow the VA and DOL to focus their efforts, for 2 months, on working with hard-to-place veterans, including those who are not job-ready or who have hardcore unemployment difficulties or other special problems.

In addition, the law changes eligibility requirements to allow veterans to apply for participation in the program, if they have been unemployed for at least 10 of the 15 weeks prior to making such application. Previously, they were required to have been unemployed for a minimum of 15 of the 20 weeks prior to making that application.

The VA and the DOL are required by this Act to implement counseling services aimed at reducing the programs high drop-out rate. The counseling services are intended to help veterans deal with problems which arise during their training, and include a program to maintain periodic contact with veterans placed in training to help them head off any problems which may lead to the veteran dropping out from the program. Under this law, DOL is required to inform veterans and employers participating in the Veterans Job Training Act programs of these counseling services, as well as other available assistance, including the VA's counseling services, such as the VA's readjustment counseling for Vietnam-era veterans, and community based programs.

The program has a carryover balance of $15 to $20 million, which is being used to place previously certified eligible veterans into training. Over 750 veterans have been placed in training positions through the use of these carryover funds. This Act authorizes the appropriation of $65 million for the Veterans Job Training Program for FY '86. The House had proposed a $75 million appropriations, and the Senate had proposed $55 million; the Act reflects the median between the two amounts.

Provisions of this Act had been incorporated into H.R. 3500, the Omnibus Reconciliation Act of 1985 (which later became part of H.R. 3128). However, to enable Congress to provide the COLA for veterans more quickly while H.R. 3128 remained in conference and was awaiting final action, H.R. 1538 was passed separately.

LEGISLATIVE HISTORY:

March 19, 1985	Introduced in the House by Rep. Applegate (D-OH)
October 2	H.R. 1538 incorporated into another measure (H.R. 3500)
October 29	Reported out by House Committee on Veterans Affairs (H. Rept. No. 99-337, Pt. 1)
December 9	H.R. 1538 passed the House on Roll Call Vote No. 440 — 388 yeas, 0 nays and 46 not voting
December 19	H.R. 1538 passed the Senate with amendments
	House agreed to Senate amendments
January 3, 1986	Presented to the President
January 13	Signed by the President, Pub. L. No. 99-238

Note: This Act contains provisions of S. 1733, Veterans' Job Training Amendments of 1985.

Pub. L. No. 99-272 (H.R. 3128) Consolidated Omnibus Budget Reconciliation Act of 1985

On April 7, 1986, President Reagan signed into law H.R. 3128, cutting spending and increasing taxes over a 3-year period. The Act makes spending and revenue changes to reduce the deficit and make program improvements consistent with the budget process. VA provisions contained in this Act would lead to an anticipated savings of approximately $1.2 billion over a 3-year period.

VA provisions are contained in Title XIX of the Act. They include major changes in the VA's health care program, such as new eligibility requirements, provisions for recovery of costs for medical care from health care providers, and a technical revision of authority to contract for hospital care and medical services. Other provisions allow for the waiving of the required waiting period for an administrative reorganization to permit a reorganization of certain VA automated data processing activities, conducting a study on female Vietnam veterans, creating of an advisory committee on Native-American veterans, and ratifying of certain temporarily expired authorities.

Veterans Health Care

Public Law No. 99-272 contains guidelines for determining eligibility for VA furnished medical care. It defines who the VA is obligated to provide hospital care for and creates income thresholds (the "means test") to determine a veterans "inability to defray" the cost of his or her medical treatment. In addition, this law enables the VA to collect the costs of medical care provided to veterans who have health insurance from their insurance companies.

The Act revises 38 U.S.C. § 610(a)(1), to require the VA to provide necessary hospital care at VA facilities, DOD facilities with which the VA has a sharing agreement, or private hospitals on a contract basis, to service-connected disabled veterans, former P.O.W.'s, veterans who served in WWI or earlier, and certain low-income veterans. Specifically, the VA is obligated to provide necessary hospital care and may provide needed nursing home care for the following veterans:

1. any veteran, for a service-connected disability;

2. veterans who were discharged from the military because of disabilities incurred or aggravated in the line of duty;

3. veterans who would receive compensation benefits due to injury during hospitalization but for a suspension of those benefits to recoup the amount of a civil judgement or settlement for such injury;

4. service-connected disabled veterans rated at 50 percent or more;

5. service-connected disabled veterans;

6. former prisoners-of-war;

7. veterans who were exposed to a dioxin or other toxins or radiation (as defined in 38 U.S.C. § 610(a)(1)(e));

8. veterans of the Spanish-American War, the Mexican border period, or World War I; and

9. veterans who are unable to defray the costs of necessary care. (See the section in this article entitled "Means Test.")

Under provisions of this Act the VA may provide necessary outpatient or ambulatory care to veterans for service-connected disabilities, or for any disability of a veteran who is rated at 50 percent or more for a service-connected disability. In addition, the Act provides that the VA may provide necessary medical care to veterans of the Mexican border period or World War I, and to certain other veterans who receive increased pension or additional compensation or allowances. The Act adds veterans receiving VA improved pension under chapter 15 of Title 38, as a new, sixth priority for outpatient care under 38 U.S.C. § 612(i). It does not make any other changes relating to priorities.

There are no changes made by this measure with regard to eligibility for VA domiciliary care. However, both the House and Senate Committees on Veterans Affairs will be holding hearings next year to consider such revisions.

The Means Test

The Act amends 38 U.S.C. § 622 to define the term "inability to defray necessary expenses," by creating two income threshold categories. A veteran would be deemed to be unable to pay for his or her medical care, and hence eligible for VA furnished hospital and nursing home care, if he or she is eligible for Medicaid, is receiving Chapter 15 VA improved pension benefits, or has an annual family income that falls within the "Category A" income threshold. This category applies to veterans whose annual family income is $15,000 or less, for a single veteran with no dependents, or $18,000 or less, for a veteran with one dependent, with an allowance for an additional $1,000 per year for each additional dependent. A second category of eligibility, "Category B," is to be applied to the group of veterans to whom the VA may provide necessary hospital or nursing home care, if there are available resources. This category consists of veterans whose annual family income is above the Category A threshold but below $20,000, for a veteran with no dependents, or $25,000 for a veteran with one dependent, with an allowance for an additional $1,000 for each additional dependent. Both categories of thresholds are to be increased on January 1 of each year, beginning January 1, 1987, by the same percentage that VA Chapter 15, improved benefits are increased on the preceding December 1st (38 U.S.C. § 3112).

The Act also permits the Administrator to make adjustments in the thresholds in certain cases if the veteran's income has dropped substantially since the preceding calendar year, and allows the VA to refuse to determine that a veteran is unable to defray the cost of medical care in certain cases if the veteran, or his or her immediate family, has sufficient assets that could be used to pay for the cost of the veteran's care.

Veterans with an income that exceeds the "Category B" threshold may receive VA furnished hospital, nursing home care, or outpatient treatment if he or she agrees to make certain payments and if there are available resources. These payments are based on the actual cost of the care provided or the Medicaid's inpatient deductible rates that are in effect at the beginning of the year that the treatment is received (or a percentage of the Medicaid inpatient deductible rate, which is $492 for 1986), whichever is less.

The law, in effect, increases the VA's maximum allowance for home structural alterations from $600 to $2500 for service-connected disabled veterans rated at 50 percent or more. Also, the Act specifies that the VA is not obligated under 38 U.S.C. § 610 to provide hospital or nursing home care for a veteran, such as an incarcerated veteran, if another Government entity is legally obligated to provide for his or her care in another Government institution.

Eligibility for Veterans Over 65

The result of the new eligibility requirements is to effectively repeal the automatic eligibility for free hospital and nursing home care previously provided for all nonservice-connected veterans over 65 years of age.

Effective Dates

The effective date for the eligibility changes made by this law is July 1, 1986. However, individuals receiving inpatient treatment prior to this date will be "grandfathered" and continue to receive treatment under prior eligibility rules. Also, if outpatient care is provided during July and August of 1986, and such care continues treatment begun before July 1, the provisions of this law will not apply.

Reports

With regard to the new eligibility requirements, the Act requires the Administrator to submit three annual reports (due February 1, 1987, 1988, and 1989) on the implementation of the new eligiblity provisions contained in this measure. Specifically, the report is required to include information regarding the care furnished to veterans under the new income threshold categories, including the amount of any payments made and data concerning health care furnished to veterans in each of the other categories of eligibility created by this law. In the case of service-connected disabled veterans, the report is required to include data that is broken down by each percentile disability rating.

Recovery of the cost of Certain VA Provided Health Care and Services

Another section of the Act amends 38 U.S.C. § 629 to allow the VA to bill private insurers, or other health-care contractors, for the cost of care provided to veterans at VA facilities, provided that the care was not for the treatment of a service-connected disabled veteran. These provisions also require the Administrator to prescribe regulations setting out "the reasonable cost of care or services." The Administrator is authorized by this section, to settle or waive claims made under this section of Title 38. Money collected under these provisions is to be deposited into the Treasury. These provisions apply to care furnished after the date of enactment and apply only to health-plan contracts that are entered into, renewed, or modified after such enactment. The Act also requires the Administrator to submit to the House and Senate Committees on Veterans' Affairs, two reports regarding the implementation of these provisions. The reports are due within 6 months of enactment of these provisions and again by February 1, 1988.

Technical Revision of Authority to Contract for Hospital Care and Medical Services

The Act replaces 38 U.S.C. § 601(4)(C), which concerns authorizing the VA to contract for hospital care or medical services in certain instances, with a similar section containing clarifying changes.

Other VA Provisions

Epidemiological Study of Female Vietnam Veterans

This Act requires the Administrator to provide for conducting an epidemiological study of the long-term adverse health effects on female Vietnam veterans as a result of their service. Specifically, the study would be of the long-term adverse (especially gender-specific) health effects on female Vietnam veterans, that may have resulted from traumatic experiences or exposure to phenoxy herbicides (including Agent Orange), or other experiences or exposures.

Advisory Committee on Native-American Veterans

An Advisory Committee on Native-American Veterans is established by the Act. The Committee's purpose is to study the effectiveness of VA programs on meeting the needs of Native American veterans and is to include

representatives of American Indians and other Native Americans as its members. The Committee is to report to the Administrator on its findings and recommendations. These reports are due on February 1, 1987, and February 1, 1988, and the Committee would terminate 90 days after submitting the second report. The Administrator is required to report to the House and Senate Committees on Veterans Affairs within 60 days of receiving the Committee's reports.

Waiver of Waiting Period for Administrative Reorganization of Certain VA Automated Data Processing Activities

The Act allows a waiver of the statutory waiting period required by 38 U.S.C. § 210(b)(2), to permit a reorganization involving the transfer of certain Office of Data Management and Telecommunications' functions to DVB. The statute requires the Administrator to submit a report containing a detailed plan and justification for certain reorganizations, no later than the date that the President submits the budget for that year, before such reorganizations can be implemented in any fiscal year. The Conference Committee determined that letters dated November 1, 1985, which were submitted to certain members of the Committees on Veterans' Affairs, regarding this specific transfer of function, consitituted a "sufficiently detailed plan and justification," and the Act allows for a waiver of the waiting period so that this reorganization can take place before October 1, 1986.

Ratification of Certain Temporarily Expired Authorities

The Act ratifies certain actions taken by the Administrator for the period of November 1, 1985, through December 3, 1985. Specifically, the Act ratifies the Administrator's actions with regards to operating a VARO in the Philippines, contracting for hospital care and medical services in Puerto Rico and the Virgin Islands, and contracting for certain care and treatment and rehabilitative services for veterans with alcohol or drug dependencies. These authorities expired on October 31, 1985, but were extended or made permanent by Pub. L. No. 99-166, which was enacted December 3, 1985.

Other Provisions of Interest to the VA

Medicare Providers' Participation in CHAMPUS and CHAMPVA Programs

The Act requires non-federal hospitals which participate in the Medicare program, to also participate in the CHAMPUS and CHAMPVA programs as well and to accept payment under these two programs as payment in full.

A similar provision, requiring non-federal hospitals which participate in the Medicare program, to accept certain VA beneficiaries on a similar basis as they accept medicare beneficiaries, was proposed by the House. However, this provision was not included in the Act.

Small Business Administration (SBA) Provisions

Under provisions of this law, the SBA is authorized $20 million for direct loans to disabled and Vietnam-era veterans in FY '86, '87, and '88. The Act does not authorize funds for guaranteed loans for veterans. In addition, the Act requires the Administrator of the SBA to encourage the establishment of Veterans Small Business Resource Councils, wherever practical. SBA's financial commitment to each council is limited to a maximum of $2,000, and the SBA is required to evaluate the effectiveness that currently functioning councils have in meeting veterans' needs. No additional appropriations for the provisions regarding the Councils were authorized by the Act.

Federal Employees

The Act requires OPM to set a minimum level of required reserves under the Federal Employees Health Benefits Program (FEHBP). It also requires carriers to refund excess reserves to the FEHBP fund. The refunds must total at least $800 million in FY '86 and $300 million in FY '87. The Government's share of the refunded money is to be used to offset the Government's share of subscription charges for annuitants' participation in the FEHBP and the Act prohibits the transferring of the refunded money to the Treasury's general fund. Other changes to the FEHPB include a provision to permanently repeal the 75 percent limitation on the Government's contribution to FEHBP premiums.

Civilian pay for FY '86 is frozen under the Act and the President is required to use his authority under 5 U.S.C. § 5305 to limit pay adjustments in FY '87 and '88. Pay for civil service employees is to be permanently calculated based on a 2,087 hour per year pay computation factor. Finally, the Act provides that an employee's part-time service be included in computing the employee's civil service retirement annuity, on a prorated basis. (This provision effects Title 38 employees.)

Of particular interest to the VA is a provision that excludes prevailing rate employees in Tucson, Arizona, from any further reductions to the wage schedules in FY '86. This includes VA employees located at the VAMC in Tucson. These employees have already undergone wage schedule reductions and without the aforementioned exclusion, back payments would be necessary to fully implement the wage schedule reductions contained in this measure.

Shared Energy Savings

The Act authorizes Federal agencies to enter into long-term "shared savings" contracts with private companies to reduce energy costs in Federal facilities. Specifically, such contracts allow private companies to place energy efficiency equipment and provide energy management services in Federal buildings. The long-term contracts are limited to a maximum of 25 years, and the private companies are required to bear the cost of any equipment or services and will receive a share of the value of the resulting energy savings as compensation. Federal agencies are required to report periodically to the Secretary of Energy on their progress in implementing these energy savings provisions. This provision amends the National Energy Conservation Policy Act (NECPA), 42 U.S.C. § 8201.

Social Security Disability Offset Provision

This law corrects a technical error on how the amount of Social Security withholdings are computed for an individual's receiving disability and/or workman's compensation benefits, including benefits under Title 38. Specifically, the law directs the amount of Social Security witholdings to be computed on the basis of earned wages and self-employment income only, and not on the basis of disability benefits or other benefits received.

LEGISLATIVE HISTORY:

July 31, 1985	Introduced in the House by Rep. Rostenkowski (D-IL)
	Reported out by the House Committee on Ways and Means, H. Rept. 99-241, Pt. I
September 11	H.R. 2811 and H.R. 2812 incorporated into H.R. 3128
	Reported out by the House Committee on Education and Labor, H. Rept. No. 99-241, Pt. II
	Reported out by the House Committee on the Judiciary, H. Rept. No. 99-241, Pt III
October 31	H.R. 3128 passed the House on Roll Call Vote No. 383-- 245 yeas, 174 nays, and 15 not voting
November 14	Reported out by the Senate Committee on Finance (no written report)
	H.R. 3128 as amended (text of S. 1730 substituted for text of H.R. 3128) passed the Senate on Roll Call Vote No. 314 -- 93 yeas, 6 nays, and 1 not voting

December 5	House agreed to Senate amendment with an amendment (Text of H.R. 3500 substituted for text of H.R. 3128)
	Senate disagreed with House amendment Senate appointed conferees
	House appointed conferees
December 19	Reported out by the Committee of Conference, H. Rept. No. 99-453
	Senate agreed to conference report
	House rejected conference report
December 20	Senate insisted on its amendments
	Senate appointed conferees for a second time
March 20, 1986	House agreed with Senate amendment and passed measure on Roll Call Vote No. 66--230 yeas, 154 nays, and 50 not voting
April 1	Presented to the President
April 7	Signed by the President, Pub. L. No. 99-272

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